

BILL NO. 83-60
AS AMENDED

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 83-60 (AS AMENDED)

Introduced by Council President Hardwicke at the
request of the County Executive

Legislative Day No. 83-32 Date October 18, 1983

AN EMERGENCY ORDINANCE concerning Harford County, Maryland Grant
Anticipation Notes (Sod Run E.P.A. Grant)
1984 Series, in an aggregate principal amount
not to exceed Four Million Five Hundred
Thousand Dollars (\$4,500,000).

By the Council, October 18, 1983

Introduced, read first time, ordered posted and public hearing scheduled

on: November 1, 1983

at: 7:00 P.M.

By Order: Angela Markowski, Secretary

PUBLIC HEARING

Having been posted and notice of time and place
of hearing and title of Bill having been published according to the
Charter, a public hearing was held on November 1, 1983
and concluded on November 1, 1983.

Angela Markowski, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from
existing law. Underlining indicates language
added to Bill by amendment. Language lined
through indicates matter stricken out of Bill
by amendment.

BILL NO. 83-60
AS AMENDED

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND
EMERGENCY ORDINANCE NO. 83-60 (AS AMENDED)

Introduced by John W. Hardwicke at the request of the County

Executive

Legislative Day No. 83-32

Date: October 18, 1983

AN EMERGENCY ORDINANCE concerning Harford County, Maryland Grant Anticipation Notes (Sod Run E.P.A. Grant) 1984 Series, in an aggregate principal amount not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000).

FOR THE PURPOSE of authorizing and directing the issuance, sale and delivery by Harford County, Maryland of its limited obligation grant anticipation notes, at any time or from time to time and in one or more series, to be designated "Harford County, Maryland Grant Anticipation Notes (Sod Run E.P.A. Grant) 1984 Series" in an aggregate principal amount not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000), in accordance with the provisions of Section 12 of Article 31 of the Annotated Code of Maryland (1982 Cumulative Supplement), as amended; authorizing the public or private (negotiated) sale of such grant anticipation notes to the purchaser or purchasers thereof; approving the payment of bond counsel fees in connection with the issuance, sale, and delivery of said grant anticipation notes; approving the enagement of underwriters; approving the appointment of a trustee or paying agent for said grant anticipation notes; and generally providing for and determining various matters and details in connection with the authorization, issuance, security, sale and payment of such Notes; making certain legislative findings concerning the public benefit and purpose of the Notes and the necessity of enacting this Ordinance on an emergency basis; authorizing the County Council of the County to adopt an administrative

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2 resolution which may provide that the full faith and credit
3 of the County will be pledged as security for the Note and
4 which shall (a) prescribe the method of determining the rate
5 or rates of interest such grant anticipation notes are to
6 bear; (b) prescribe the basic form, tenor, terms and condi-
7 tions of and security for such grant anticipation notes and
8 the terms and conditions under which such grant anticipation
9 notes may be called for redemption prior to their stated
10 maturity; (c) appoint a trustee or paying agent for the
11 Notes; (d) determine whether the Notes will be sold by
12 either private (negotiated) or public sale; (e) determine
13 various other matters and details in connection with the
14 issuance and sale of the Notes.

RECITALS

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16 Section 12 of Article 31 of the Annotated Code of Maryland
17 (1982 Cumulative Supplement), as amended (the "Act"), empowers
18 all public bodies and municipal corporations of the State of
19 Maryland (the "State") to issue and sell notes in anticipation of
20 the receipt of grants either from the federal or State government
21 or from any of their agencies in an aggregate amount, including
22 interest, not greater than the grant or grants in anticipation of
23 the receipt of which the notes are issued and sold.

24 Harford County, Maryland (the "County") was awarded grants
25 from the United States Environmental Protection Agency (the
26 "EPA") totalling approximately \$16,236,200, (collectively the
27 "Grant") for the purpose of defraying the cost of constructing
28 the expansion and upgrading of the Sod Run Wastewater Treatment
29 Plant in the County and for conducting water quality studies
30 (collectively the "Project"). Pursuant to the grant agreement
31 and amendments thereto by and between EPA and the County, the
32 total eligible cost of the Project is approximately \$23,993,700.
33 The terms of the Grant allow disbursements to the County only as
34 reimbursement for moneys actually expended by the County. The
35 County has received similar grants in the past and therefore

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2 anticipates that administrative delays in receiving reimburse-
3 ments from the EPA would create cash flow deficits in the account
4 funding the Project, thereby requiring the County to pay such
5 amounts from its general funds account prior to such reimburse-
6 ment. Disbursement by the County from its general funds account
7 prior to reimbursement would limit the use by the County of such
8 funds for other purposes, thereby adversely affecting the health,
9 safety and welfare of the citizens of the County. To avoid such
10 disbursements from its general funds account or delay of the
11 Project, the County has determined that it would be in its best
12 interest to issue, sell and deliver, on the earliest possible
13 date, at such time or times and from time to time as the County
14 Council of the County (the "County Council") may by resolution
15 determine in accordance with this Ordinance, subsequent to the
16 enactment of this Ordinance and prior to the issuance, sale and
17 delivery of its "Harford County, Maryland Grant Anticipation
18 Notes (Sod Run E.P.A. Grant) 1984 Series", in an aggregate
19 principal amount not to exceed Four Million Five Hundred Thousand
20 Dollars (\$4,500,000) (the "Notes") and to use the proceeds from
21 the sale of the Notes to pay a portion of the construction costs
22 of the Project in anticipation of receipt of funds payable
23 pursuant to the Grant, to pay interest on the Notes and to pay
24 the necessary costs of issuance of the Notes.

25 Certain Internal Revenue Service regulations concerning the
26 issuance of grant anticipation notes have been proposed which, if
27 adopted, would diminish the advantages and benefits derived from
28 the issuance and sale of grant anticipation notes. Specifically,
29 the proposed regulations would modify the manner of determining
30 the maximum allowable principal amount of grant anticipation
31 notes that may be issued on a tax-exempt basis. The effect of
32 the proposed regulations may be to reduce the maximum allowable
33 principal amount of grant anticipation notes that may be issued
34 by the County on a tax-exempt basis to a level at which it is not
35 economically feasible to issue such notes. Accordingly, the

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2 County finds and determines that, in order to issue its grant
3 anticipation notes and to realize the maximum benefit therefrom,
4 it is necessary and in the best interests of the citizens of the
5 County to authorize the issuance and sale of such notes through
6 the enactment of this emergency Ordinance. If adopted as pro-
7 posed, such regulations will be effective 30 days after adoption.
8 It is expected that such regulations will be adopted by the end
9 of 1983. It is necessary that the County issue and sell its
10 grant anticipation notes at the earliest practicable date, in
11 order to give the County the flexibility to take advantage of
12 current market conditions and interest rates, and to enable the
13 County to deliver its grant anticipation notes prior to the
14 effective date of such proposed regulations, thereby protecting
15 the general health, safety and welfare of the County and its
16 citizens.

17 NOW, THEREFORE, in accordance with the provisions of the Act
18 and the County Charter:

19 SECTION 1. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
20 COUNTY, MARYLAND, That, acting pursuant to the Act and the County
21 Charter, it is hereby found and determined, as follows:

22 (A) Administrative delays in receiving reimbursements from
23 the EPA for moneys expended by the County in the construction of
24 the Project would create cash flow deficits in the account
25 funding the Project, thereby requiring the County to pay such
26 amounts from its general funds account prior to such reimburse-
27 ment. Disbursement by the County from its general funds account
28 prior to reimbursement would limit the use by the County of such
29 funds for other purposes, thereby adversely affecting the health,
30 safety and welfare of the citizens of the County.

31 (B) The use of grant anticipation notes, repayable from
32 moneys to be received from grants, is a sound cash management
33 practice.

34 (C) The County currently needs funds to construct the
35 Project. In order to provide the County with the flexibility

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2 required by current financial market conditions, and in order to
3 permit the construction of the Project, the County has determined
4 to issue and sell its grant anticipation notes pursuant to this
5 Ordinance in such amounts, on such terms and conditions and
6 according to such procedures as are provided herein and in the
7 Resolution (hereinafter defined).

8 (D) That the issuance, sale and delivery of the Notes by
9 the County pursuant to the Act shall facilitate and expedite
10 completion of the Project by the County. The County has received
11 the written commitment from the EPA that the EPA will provide the
12 County with the Grant in the aggregate amount of \$16,236,200 for
13 the purpose of financing a portion of the costs of the con-
14 struction of the Project.

15 (E) Currently proposed Internal Revenue Service Regulations
16 exist which, if adopted as proposed, would diminish the advan-
17 tages and benefits enjoyed by the County from the use of grant
18 notes. Specifically, the proposed regulations would modify the
19 manner of determining the maximum allowable principal amount of
20 grant anticipation notes that may be issued on a tax-exempt
21 basis. The effect of the proposed regulations may be to reduce
22 the maximum allowable principal amount of grant anticipation
23 notes that may be issued by the County on a tax-exempt basis to a
24 level at which it is not economically feasible to issue such
25 notes. Accordingly, the County finds and determines that, in
26 order to issue its grant anticipation notes and to realize the
27 maximum benefit therefrom, it is necessary and in the best
28 interests of the citizens of the County to authorize the issuance
29 and sale of such notes through the enactment of this emergency
30 Ordinance. The County anticipates that such regulations will be
31 adopted or effective by December 31, 1983, or shortly thereafter.
32 If such grant anticipation notes are not issued and sold by the
33 effective date of such regulations, the County will lose the
34 advantages and benefits derived from the issuance and sale of
35 grant anticipation notes, thereby adversely affecting the health,

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2 safety and welfare of the County and its residents. Conse-
3 quently, a state of emergency exists in the County, and this
4 Ordinance shall be enacted as an emergency measure of the County.

5 SECTION 2. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
6 COUNTY, MARYLAND, That, unless otherwise provided in the Resolu-
7 tion, neither the principal of, premium, if any, nor the interest
8 on, the Notes constitutes or shall ever constitute an indebted-
9 ness of or a charge against the general credit or taxing power of
10 the County. UNLESS OTHERWISE DETERMINED BY THE COUNTY COUNCIL IN
11 THE RESOLUTION, THE The Notes shall be limited obligations of the
12 County within the meaning of any constitutional or charter
13 provision or statutory limitation, equally and ratably secured as
14 to both principal and interest solely by (a) a pledge of the
15 proceeds of the Grant actually received by the County after the
16 issuance and delivery of the Notes (the "Grant Receipts") and any
17 other monies held by the Trustee (hereinafter defined) in the
18 accounts established under a trust agreement to be approved in
19 the Resolution (hereinafter defined), (b) the proceeds of
20 additional notes or other obligations to the extent issued for
21 the purpose of funding or paying the principal of and interest on
22 the Notes, and (c) A SUBORDINATED PLEDGE OF THE NET REVENUES
23 DERIVED FROM THE WATER AND SEWER SYSTEM OF THE COUNTY. THE NOTES
24 MAY, if SO determined by the County Council in the Resolution, BE
25 A GENERAL OBLIGATION OF THE COUNTY AND A PLEDGE OF the full faith
26 and credit of the County in the event that the final form of the
27 Notes provides for the mandatory redemption of the Notes, in
28 whole or in part, prior to the stated maturity thereof; provided,
29 however, that such pledge shall be limited to the amount
30 necessary to effect such mandatory redemption.

31 In the event that the full faith and credit of the County is
32 pledged as security for the Notes, the County SHALL ~~will~~ levy ad
33 valorem taxes upon all the legally assessable property within the
34 corporate limits of the County in rate and amount sufficient to
35 provide for the payment, when due, of the principal of and

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2 interest on all of the Notes; and in the event the proceeds from
3 taxes so levied in any such fiscal year shall prove inadequate
4 for the above purposes, additional taxes shall be levied to make
5 up such deficiency.

6 As of the date of this Ordinance, the outstanding general
7 obligation indebtedness of the County is \$71,667,841. The
8 assessable basis of the County as of June 30, 1983, was not less
9 than \$1,373,576,000.

10 SECTION 3. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
11 COUNTY, MARYLAND, That in accordance with the Act and subject to
12 the provisions of this Ordinance, the County is hereby authorized
13 and directed to issue, sell and deliver at such time or times and
14 from time to time as the County Council may determine by
15 Administrative Resolution (the "Resolution"), its Notes, hereby
16 designated "Harford County, Maryland Grant Anticipation Notes
17 (Sod Run E.P.A. Grant) 1984 Series" (or by such other designation
18 as the County Council may provide for in the Resolution) in an
19 aggregate principal amount not to exceed Four Million Five
20 Hundred Thousand Dollars (\$4,500,000) for the purpose of (a) pro-
21 viding funds TO PAY A PORTION OF THE COSTS OF CONSTRUCTING THE
22 PROJECT, in anticipation of the receipt of monies payable to the
23 County pursuant to the Grant, (b) paying the costs incurred in
24 connection with the issuance and sale of the Notes, and
25 (c) paying interest on the Notes.

26 The Notes shall bear interest commencing on their date
27 or as of the date of their delivery at a rate to be determined by
28 the County Council in the Resolution prior to the issuance, sale
29 and delivery of the Notes.

30 The Notes shall be dated and shall mature in whole or
31 in part on such date and shall contain such other items as may be
32 provided in the Resolution, provided, however that the maturity
33 of the Notes shall in no event exceed thirty months from the date
34 of each of such Notes.
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2 SECTION 4. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
3 COUNTY, MARYLAND, That prior to the issuance, sale and delivery
4 of the Notes, the County Council shall (without limitation)
5 determine administratively by Resolution:

6 (a) the principal amounts, rate or rates of interest,
7 or method of determining such rate or rates, date, denominations,
8 maturity payment provisions and prepayment and/or redemption
9 provisions (if any) and other terms and conditions of each of
10 such Notes;

11 (b) the substantially final form and contents or
12 consent to the distribution (and shall authorize the execution
13 and delivery, where applicable) of various agreements and docu-
14 ments as are necessary to implement the financing authorized
15 herein, including, but not limited to, a Preliminary Official
16 Statement and an Official Statement, and in the event the Notes
17 are sold through competitive bidding, a Notice of Sale and a
18 Proposal for Notes, and in the event the Notes are sold by
19 private (negotiated) sale, a Purchase Contract with the Under-
20 writer (collectively the "Documents"), required for the issuance,
21 sale and delivery of the Notes, which Documents shall contain
22 such provisions as are required or authorized by the Act;

23 (c) the time or times of issuance, sale and delivery
24 of the Notes;

25 (d) provision for the payment of all necessary
26 expenses of preparing, printing and selling the Notes including,
27 without limitation, any and all costs, fees and expenses incurred
28 by or on behalf of the County in connection with the
29 authorization, issuance, sale and delivery of the Notes, and all
30 costs incurred in connection with the development of the
31 appropriate legal documents, including the fees of counsel to the
32 County, and compensation to any persons (other than full-time
33 employees of the County) or entities performing services for or
34 on behalf of the County in connection therewith and in connection
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2 with all other transactions contemplated by this Ordinance
3 regardless of whether the proposed financing is consummated;

4 (e) whether the Notes are to be sold at public or
5 private (negotiated) sale;

6 (f) such other matters in connection with the
7 issuance, sale and delivery of the Notes and the security for the
8 Notes, and the consummation of the transactions contemplated by
9 this Ordinance as may be deemed appropriate by the County
10 Council, including (without limitation) the appointment of a
11 trustee or paying agent for the Notes, the execution, acknowl-
12 edgement, sealing and delivery of such other and further agree-
13 ments, documents and instruments, and the authorization of the
14 officials of the County to take any and all actions, as are or
15 may be necessary or appropriate to consummate the transactions
16 contemplated by this Ordinance in accordance with the terms
17 hereof.

18 (g) The Resolution shall be deemed to be of an admin-
19 istrative nature and shall be effective upon the date specified
20 in the Resolution.

21 SECTION 5. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
22 COUNTY, MARYLAND, That authority is hereby conferred respectively
23 on the County Executive of the County, the Director of
24 Administration, the Treasurer, the County Attorney and the
25 Secretary of the County Council, or any of them, and they are
26 hereby directed to take the following actions on behalf of the
27 County:

28 (a) to execute, acknowledge, seal and deliver the
29 Documents substantially in the forms determined administratively
30 by the County Council in the Resolution; and

31 (b) to execute, acknowledge, seal and deliver such
32 other and further certificates, certifications, agreements,
33 documents and instruments and take such other actions as they or
34 any one or more of them may deem necessary or appropriate to
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2 consummate the transactions contemplated by this Ordinance in
3 accordance with the provisions hereof and of the Resolution.

4 SECTION 6. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
5 COUNTY, MARYLAND, That the Notes shall be issued and sold by
6 either private (negotiated) sale as herein provided or by public
7 sale, as determined by the County Council in the Resolution.

8 SECTION 7. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
9 COUNTY, MARYLAND, That the Treasurer, or his authorized deputy,
10 is hereby authorized and empowered to prepare and distribute
11 copies of the Documents, in respect of the Notes to any person
12 who may, in his judgment, be interested in the purchase of the
13 Notes or who may request the same or information with respect
14 thereto; provided, however, that any preliminary official
15 statement and related material shall be clearly marked to
16 indicate that they are subject to completion and amendment.

17 SECTION 8. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
18 COUNTY, MARYLAND, That there is hereby authorized to be paid to
19 the County's Bond Counsel, Shapiro and Olander, Baltimore,
20 Maryland, a bond counsel fee out of the proceeds of the sale of
21 the Notes an amount not to exceed \$15,000 plus expenses.

22 SECTION 9. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
23 COUNTY, MARYLAND, That, if the County Council determines in the
24 Resolution that it is in the best interests of the County to sell
25 the Notes by private (negotiated) sale, the County Council hereby
26 approves (a) the appointment of the firm of Alex. Brown & Sons to
27 act as underwriter in connection with the sale of the Notes, and
28 (b) the payment by the County to such Underwriter and of the
29 proceeds of the sale of the Notes for services rendered in
30 connection therewith, an amount not to exceed two percent (2%) of
31 the aggregate principal amount of the Notes. As of the date of
32 this Ordinance, it has been determined that it is in the best
33 interests of the County to sell the Notes by private (negotiated)
34 sale.
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2 SECTION 10. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
3 COUNTY, MARYLAND, That the County Executive is hereby authorized
4 and empowered for and on behalf of the County (a) to cause the
5 preparation, printing, execution and delivery of the Documents in
6 respect of the Notes, each substantially in the form presented to
7 the County Council, with such modifications, supplements or
8 amendments thereto as may be recommended by counsel, and (b) to
9 do all such things as may be necessary or desirable in the
10 opinion of the County Executive in connection therewith.

11 SECTION 11. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
12 COUNTY, MARYLAND, That,

13 (A) Unless otherwise provided in the Resolution, all Notes
14 shall be executed in the name of the County and on its behalf by
15 the manual or facsimile signature of the County Executive and the
16 Director of Administration and the corporate seal of the County
17 shall be imprinted thereon, and attested by the manual or fac-
18 simile signature of the Secretary of the County Council.

19 (B) In the event any official of the County whose signature
20 or a facsimile of whose signature shall appear on any of the
21 Notes or on other documents pertaining thereto shall cease to be
22 such official prior to the delivery of the Notes, or other
23 documents pertaining thereto, or in the event that any official
24 shall take office subsequent to the sale or the date of the
25 Notes, his signature shall nevertheless be valid, sufficient and
26 binding for the purposes herein intended.

27 SECTION 12. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
28 COUNTY, MARYLAND, That the provisions of this Ordinance are
29 severable, and if any provision, sentence, clause, section or
30 part hereof is held illegal, invalid or unconstitutional or
31 inapplicable to any person or circumstances, such illegality,
32 invalidity or unconstitutionality, or inapplicability shall not
33 affect or impair any of the remaining provisions, sentences,
34 clauses, sections, or parts of this Ordinance or their applica-
35 tion to other persons or circumstances. It is hereby declared to

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2 be the legislative intent that this Ordinance would have been
3 passed if such illegal, invalid or unconstitutional provision,
4 sentence, clause, section or part had not been included herein,
5 and if the person or circumstances to which this Ordinance or any
6 part hereof are inapplicable had been specifically exempted
7 herefrom.

8 SECTION 13. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
9 COUNTY, MARYLAND, AND BE IT FURTHER ENACTED BY THE COUNTY
10 COUNCIL, That, a state of emergency exists effecting the public
11 health, safety or welfare of the citizens of the County and this
12 Ordinance is an emergency measure which shall take effect from
13 the date of its enactment.

14 True Copy Test:

15 Angela Markowski
16

17 EFFECTIVE: November 3, 1983
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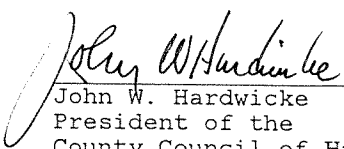
AS AMENDED

C E R T I F I C A T E

I, John W. Hardwicke, the duly elected and qualified President of the County Council of Harford County, Maryland, do hereby certify that attached hereto is a true and accurate copy of Bill No. 83-60, duly adopted by the County Council of Harford County, Maryland, at a meeting called and held on November 1, 1983, at which a quorum was present, and that said Bill No. 83-60 is now in full force and effect.

I DO HEREBY FURTHER CERTIFY that a true and accurate copy of Bill No. 83-60 was posted on an official bulletin board in a public place and that additional copies thereof were made available to the public and to the press.

IN WITNESS WHEREOF, I have hereunto affixed my signature and the seal of Harford County, Maryland, on this 3rd day of November, 1983.



John W. Hardwicke
President of the
County Council of Harford County,
Maryland

(SEAL)

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BY THE COUNCIL

BILL NO. 83-60 (AS AMENDED)

Read the third time.

Passed LSD 83-33 (November 1, 1983) (with amendments)

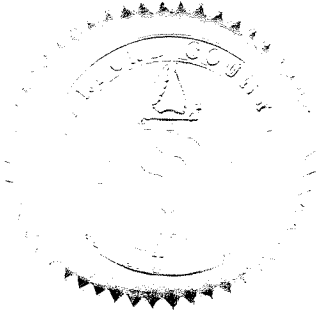
Failed of Passage _____

By order

Angela Markowski, Secretary

Sealed with the County Seal and presented to the County Executive
for his approval this 2nd day of November, 1983
at 3:00 o'clock P.M.

Angela Markowski, Secretary



BY THE EXECUTIVE

APPROVED:

[Signature]
County Executive

Date 11-3-83

BY THE COUNCIL

This Bill (No. 83-60, as amended), having been approved by the
Executive and returned to the Council, becomes law on November 3, 1983.

Angela Markowski, Secretary

EFFECTIVE: November 3, 1983

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